

Appl. No. 09/781,755

**REMARKS**

Continued examination and reconsideration of this application is respectfully requested in view of the following remarks. Claims 1-20 are pending in this application.

**1. Status of the Claims**

Minor amendments have been made to claims 1 and 14. Specifically, "associated with" has been replaced with "to." Applicant respectfully submits that the amended claims, in view of the following remarks, overcome the prior art rejections and place the claims in a condition of allowance.

**2. Prior Art Rejections**

The Examiner rejected claims 1-20 under 35 U.S.C. § 103(a) as being obvious over U.S. Patent No. 5,602,377 to Beller (Beller) in view of U.S. Patent No. 5,568,177 to Talvalkar et al., (Talvalkar). Applicant respectfully traverses this rejection on the grounds that Beller and Talvalkar, either alone or in combination, fail to disclose, teach or suggest the subject matter of claims 1 and 14 and all claims depending therefrom.

Neither Beller nor Talvalkar teach or remotely suggest the claimed system and method which causes alteration of a label associated with the item (i.e., a sales tag, for example) during purchase of a retail item as recited in the present claims. The present claims recite a device for (claim 1) and a method step of (claim 1) encoding the original label with a post-purchase indicia during purchase. Beller, however, discloses an apparatus that prints a second, independent "modified" bar code label. The Beller apparatus retrieves data by scanning a first bar code. Additional data is added to the scanned bar code data to produce a modified dataform. The modified dataform is subsequently printed on a second or new bar code label. Beller teaches that the new label can be affixed to the product. Beller, col. 4, lines 18-62 and col. 5, lines 54-63; see in particular, reference numeral 16 in

Appl. No. 09/781,755

FIG. 1 and reference numeral 160 and 160' in FIGS. 4 and 5, respectively, for the printed second bar code label.

Similarly, Talvalkar merely discloses a bar code symbol having predetermined portions coated with a magnetic material. Talvalkar, col. 1, lines 48-57. The magnetic material is incorporated onto the bar code symbol when the bar code symbol is printed. *Id.*, col. 2, lines 54-57. Thus, the magnetic material is always present (and detectable) on the bar code symbol—both before the retail item is purchased as well as after the item is purchased. *Id.*, col. 1, lines 54-57. The label is not encoded with additional information during purchase. Thus, Talvalkar is not directed to the subject matter of the present invention. Talvalkar's magnetic bar code thereby teaches away from the recited label which lacks a post-purchase indicia before the purchase of a retail item and acquires a post-purchase indicia at the point of sale to verify the article was properly purchased. Teaching away is a *per se* demonstration of lack of prima facie obviousness. *In re Dow Chemical Co.*, 837 F.2d 469 (Fed. Cir. 1988). As Talvalkar teaches away from the recited label, Talvalkar consequently cannot teach or suggest a detecting device for determining whether a post-purchase indicia is present on the label. Furthermore, Talvalkar has no disclosure whatsoever regarding a point of sale encoding device which provides a post-purchase indicia on the label during purchase by a customer.

Thus, combining Beller with Talvalkar provides no teaching or suggestion of the claimed present invention. No suggestion is present in the cited art to encode the original label during purchase to verify the article was properly purchased. Combining Beller's apparatus for printing a second barcode label with Talvalkar's barcode label containing magnetic material does not teach or remotely suggest the recited system which provides a post-purchase indicia on the original label during purchase. Nor does either reference teach or suggest subsequently analyzing the original label to determine whether the point of sale post-purchase indicia has been added to the original label. Such added indicia to the original label, if present, shows that the article was properly purchased. In addition, the post-purchase indicia added to the original label by the claimed device or recited in the method may be invisible, thereby giving no indication that such indicia has been added to the original label or sales tag (claims 3 and 16), invisible unless irradiated with a specified

Appl. No. 09/781,755

radiation (claim 4) or conditioning a refund on data added to the original label during purchase (claims 9-10 and 15) or removable after the retail article is exchanged or refunded (claims 19 and 20).

Attached hereto is a marked-up version of the changes made to the claims by the current amendment. The attached page is captioned "**Version with markings to show changes made.**"

**CONCLUSION**

In view of the foregoing, claims 1-20 are allowable and an early indication of allowance is solicited.

Respectfully submitted,



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Appl. No. 09/781,755

**VERSION WITH MARKINGS TO SHOW CHANGES MADE**

The claims have been amended as follows.

**In the Claims:**

Please amend the claims as follows.

1. (Twice Amended) A system for verifying the purchase of a retail item by a customer comprising:
  - a label associated with the retail item, said label lacking a post-purchase machine-readable indicia;
  - a point of sale encoding device, said encoding device providing a machine-readable post-purchase indicia to [associated with] the label during purchase by the customer; and
  - a detecting device for analyzing the label to determine whether the post-purchase machine-readable indicia is present.
14. (Twice Amended) A method for verifying the purchase of a retail item by a customer comprising:
  - providing a label associated with the retail item, said label lacking a machine-readable post-purchase indicia;
  - encoding a machine-readable post-purchase indicia to [associated with] the label by a point of sale encoding device when the item is purchased by the customer; and
  - analyzing said label with a detecting device to determine whether the machine-readable post-purchase indicia is present.